

United States Senate

WASHINGTON, DC 20510-4504

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The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20054

The Honorable Meredith Attwell Baker
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20054

The Honorable Michael J. Copps
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20054

The Honorable Mignon Clyburn
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20054

The Honorable Robert M. McDowell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20054

RE: MB Docket No. 10-56

Dear Commissioners:

I write to express my firm opposition to the proposed merger of Comcast Corporation ("Comcast"), the nation's largest distributor of video services, and NBC Universal, Inc. ("NBCU"), one of the nation's largest producers of video content. I strongly urge you to deny approval of this transaction.

Congress has given clear direction that the Federal Communications Commission ("Commission") should not approve a transfer of station license "except upon . . . finding . . . that the public interest, convenience, and necessity will be served thereby." 47 U.S.C. § 310(d). Far from serving the public interest, the sale of NBCU to Comcast would create an enormously powerful, vertically integrated media conglomerate, causing irreparable damage to the American media landscape and ultimately to society as a whole. At a time when a small number of giant media corporations already control what the American people see, hear, and read, we do not need another conglomerate with control over the production and distribution of sports, news, and

entertainment. To fulfill its congressional mandate to promote localism and diversity, the Commission should find new ways to promote more diverse ownership, more local control, and more points of view—not more media concentration.

The Commission should also consider how a Comcast-NBCU merger would affect cable consumers. According to the Commission's former Chief Economist, William Rogerson, completion of the merger would cause consumer rates to rise by \$2.4 billion, and, not surprisingly, most of this money would go to line the pockets of Comcast-NBCU. At a time when jobs are short and Americans are struggling to make ends meet, I would think it an obvious conclusion that "public interest, convenience, and necessity" would not be served by a regressive wealth transfer of \$2.4 billion from ordinary citizens to what would be one of the largest corporate entities in the United States.

This merger would also produce great harm to competition by creating an entity with the incentive and the means to squeeze content producers that currently compete with NBCU. Comcast currently carries content from a small number of independent programmers, in addition to NBCU. If the merger were approved, however, Comcast would have an incentive to favor NBCU over other content companies in its carriage negotiations. It would be able to charge independent producers higher fees, offer them less desirable channel placement, and impose greater restraints on their ability to use innovative third-party distribution mechanisms for their content. If they were refused carriage on reasonable terms by their largest buyer, small and independent producers would find it more difficult to stay afloat, and all American citizens—whether Comcast subscribers or not—would no longer have the benefit of their programming. I firmly believe, as I am sure you do, that citizens in a democracy need a diversity of sources of information. The sale of NBCU to Comcast would lead to less local news, less diverse points of view, and less competition for viewers and advertising, not just in Comcast's network but throughout the country.

I understand that certain Commission regulations exist that purport to ameliorate some of these concerns, such as the program access rules, but these rules have been grossly insufficient to mitigate public harms of vertically integrated cable companies in the past. Furthermore, the proposed Comcast-NBCU merger poses substantial new risks not seen in past transactions, because of both its size and the dynamic evolution of distribution models for video content. These risks go above and beyond even the hypothetical ameliorative potential of current Commission and statutory protections. Were the merger to be approved, I have little doubt that Comcast-NBCU would retain hundreds of attorneys and lobbyists to exploit the gaps and loopholes in current regulations.

In fact, Comcast has already demonstrated that it intends to proceed down the road of insider influence, almost doubling its campaign contributions this year. This savvy appears to be

paying off, as, according to recent media reports, ninety-one of the ninety-nine House members and three of the five senators who recently wrote the Commission in support of the merger received donations from Comcast in the last election cycle. There is no reason to assume that, if this merger is approved, Comcast-NBC will not have even more political clout in the future.

Although Comcast has done little to prove that the proposed merger is in the public interest, it has been busy measuring the drapes at NBC. Despite ongoing review, Comcast has on several occasions announced plans for replacing NBCU's executives with Comcast staff and restructuring of NBCU's senior leadership. These actions suggest a disregard for the important and ongoing agency reviews of the merger—or worse, a belief that Comcast has successfully controlled the federal review process.

Given the potentially disastrous consequences of this merger, it seems to me beyond dispute that it would not serve the public interest, no matter how many conditions were attached. I therefore urge you to deny approval of the proposed merger outright.

Sincerely,

A handwritten signature in blue ink, reading "Ben Sanders", is written over a horizontal line.



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

December 16, 2010

The Honorable Bernard Sanders
United States Senate
332 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Sanders:

Thank you for your letter regarding the Commission's review of the proposed joint venture between Comcast Corporation and the General Electric Company subsidiary, NBC Universal, Inc. (NBCU). I appreciate hearing from you on this important transaction. We will make your correspondence part of the record in the proceeding.

The Commission is conducting a careful evaluation of all relevant issues in the proposed Comcast-GE transaction, including the impact that the proposed transaction may have on competition, consumers, and the distribution of content in the communications industry. The Commission staff currently is reviewing the extensive record compiled in the proceeding, and working through the complex issues it raises. Please be assured that the issues discussed in your letter will be considered carefully as part of the Commission's independent review of the proposed Comcast-GE transaction.

I appreciate your interest in this important matter. Please do not hesitate to contact me if I may be of further assistance.

Sincerely,



Julius Genachowski